

# You have been selected?

What to expect now that you have been selected for a Federal Fiscal Monitoring

For questions:

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# New Process for FY2014

- In July of 2014 a new process is implemented
- Email will initiate the audit
- Risk indicators
- Three stages (Low, Moderate, High)
- 3 year cycle
- High Risk will be visited more often and will require an on-site visit
- Schedule will be posted online for each quarter

# Monitoring covers...

- ◉ Eligibility
- ◉ Allow-ability
- ◉ Cash Management
- ◉ Equipment and property management
- ◉ Time and Effort
- ◉ Procurement Process
- ◉ Internal Policies and controls
- ◉ Identify recurring problems

# Stage 1 – Analyze

## Financial reports to ensure accountability

- ◉ Desk Based level – overall business (policies and procedures)
- ◉ Audit Guide Questionnaire
- ◉ Previous Audits
- ◉ New sub-recipient
- ◉ Turnover
- ◉ New accounting system
- ◉ Prior monitoring concerns

# Stage 2 – Eligible Expenditures and Accountability

- ◉ Desk or on-site review
- ◉ Accountability (meeting deadlines, complete and accurate policies and procedures, requested documentation, etc.)
- ◉ Amount of Award
- ◉ Previous Corrective Action Plans

# Stage 3 – On-Site Monitoring

- On-site monitoring required
- LEA will be notified in advance when auditors will be visiting
- Will look at high risk categories
- May require:
  - > Fixed Asset Review
  - > Assistance with process implementation

# Final Results:

- ◉ LEA representatives will receive communication throughout the process regarding findings (if any)
- ◉ In conclusion to the analysis, a short report will be issued and emailed with the results and any further action that may be required
- ◉ Corrective Action Plan may be required
- ◉ High Risk will result in more frequent monitoring

# Noncompliance:

- ◉ May result in withholding of federal grant award
- ◉ High Risk Designation
- ◉ Questionable costs
- ◉ Disallowed expenditures and refund of money (out of state funds, not federal)
- ◉ Ensure LEA took appropriate and timely corrective action on findings



# Tips...

- DOCUMENTATION!!!
  - > Is Key
- Ask Questions prior to due dates
- Make sure policies and procedures are complete and accurate
- Visit the Federal Fiscal Monitoring webpage regularly for updates
- Check email for updates from our monitoring department

# Improvements...

- Each entity will be monitored every three years
- New sub-recipients will be monitored their second year of business
- In FY2013 – 18 LEA's reviewed were monitored (\$34 million - up to 6 grants)
- In FY2014 – an estimated 190 LEA's will be monitored (\$54 million – up to 4 grants)

# How do I minimize the effect of a monitoring?

- Meet all deadlines (if a deadline is missed the LEA will automatically move to the next level of risk)
- Check monitoring schedule online and review list of requirements
- Be proactive. All items due will be communicated and/or posted online

# Contact Information

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  - Please submit questions. These questions may assist other LEA's
- <http://www.azed.gov/grants-management/federal-fiscal-requirements/>